

STATEMENT OF PURPOSE

RS18394C1

The intent of this Bill is to allow the Public Utilities Commission to set hook-up fees for new customers that partially recover the cost of new capital investment needed to serve customer growth. Currently the Utilities Commission is prohibited from having new customers defray more of the costs for capital investments necessary to serve growth by two Idaho Supreme Court cases. In *Homebuilders v Washington Water Power*, 107 Idaho 415 (1984) and *Building Contractors v Idaho PUC*, 138 Idaho 534 (1996), the Supreme Court determined that Idaho Code 61-315 prohibits the Commission from authorizing higher hook-up fees for new customers because such fees "discriminate between old and new customers." The Bill would amend section 61-315 and allow the Commission to set hook-up fees that partially (not entirely) allocate the costs of new resources to new customers. The amendment also makes clear that a change in customers at a location with existing service is not a "new customer" for purposes of this legislation.

FISCAL NOTE

There is no impact on the General Fund or other State Fund.

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